

MINUTES OF THE REGULAR MEETING

OF THE

COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY

February 19, 2002

The Commissioners of the Chicago Housing Authority held its Regular meeting on Tuesday, February 19, 2002 at 8:30 a.m. at the Henry Horner Homes, Major Adams Youth Academy located at 1832 West Washington in Chicago.

The meeting was called to order by the Chairperson, and upon roll call, those present and absent were as follows:

Present:	Sharon Gist Gilliam Hallie Amey Leticia Peralta Davis Dr. Mildred Harris Sandra Young Mamie Bone Earnest Gates Michael Ivers
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Absent:	None
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Also present were Terry Peterson, Chief Executive Officer; Gail Niemann, General Counsel; Chicago Housing Authority Staff Members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

The Chairperson convened the Public Hearing portion of the meeting by inviting residents and the public at large to address the Board.

Immediately following the Public Hearing Session, Terry Peterson, Chief Executive Officer, presented his monthly report. Per Mr. Peterson, draft copies of the Authority's annual report have been distributed to members of the Board as well as made available to residents and community leaders. The report shows that three years into the City takeover of CHA, goals are being met in transforming public housing. Mr. Peter then highlighted CHA's achievements to date, which included the following: construction of new units and rehab of existing units; redevelopment in 10 different sites; implementation of a relocation tracking system and continuous progress from private property managers on key indicators such as work orders, rent collections and re-certification. Mr. Peterson concluded his report by thanking the Board members, resident and community leadership and other city agencies for their continuous support.

A motion was then introduced and seconded to adjourn to Executive Session. The Chairperson announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately one (1) hour to discuss pending, probable or imminent litigation, collective negotiating matters, security and personnel matters.

The Commissioners subsequently reconvened in Open Session and unanimously approved minutes of the Regular Board Meeting of November 20, 2001.

Chairperson Gilliam thereupon introduced the Resolutions discussed in Executive Session.

Commissioner Ivers then presented a Motion for Executive Item No.1 to be approved.

(Executive Item No. 1)

RESOLUTION 2002-CHA-12

WHEREAS, the Board of Commissioners has reviewed Board Letter dated January 15, 2002 requesting authorization to enter into a settlement agreement in the matter of Fay Marie Elliott, individually and as mother of Amanda Lisa Marie Elliott, Edward Elliott and David Boss, minors, on behalf of themselves and all others similarly situated vs. Chicago Housing Authority, CHAC, Inc., Quadel Consulting Corporation, Inc., and Lucius L. House, 98 C 6307 in a settlement amount of \$892,500.00.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the General Counsel or his designee to enter into the settlement agreement in the matter of Fay Marie Elliott, individually and as mother of Amanda Lisa Marie Elliott, Edward Elliott and David Boss, minors, on behalf of themselves and all others similarly situated vs. Chicago Housing Authority, CHAC, Inc., Quadel Consulting Corporation, Inc., and Lucius L. House, 98 C 6307, and pay a settlement amount of \$892,500.00. subject to the approval of the United States Department of Housing and Urban Development.

Motion to adopt said resolution was seconded by Commissioner Amey and the voting was as follows:

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| Ayes: | Sharon Gist Gilliam
Hallie Amey
Leticia Peralta Davis
Dr. Mildred Harris
Michael Ivers
Sandra Young
Earnest Gates
Mamie Bone |
| Nays: | None |

The Chairperson thereupon declared said motion carried and said resolution adopted.

Commissioner Davis then presented a Motion for the approval of Executive Item No. 2.

(Executive Item No. 2)

RESOLUTION NO. 2002-CHA-13

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated February 4, 2002 requesting that the Board of Commissioners approve the Personnel Action Report for January 2002.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the Personnel Actions for January 2002.

Motion to adopt said resolution was seconded by Commissioner Bone and the voting was as follows:

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| Ayes: | Sharon Gist Gilliam
Hallie Amey
Leticia Peralta Davis
Dr. Mildred Harris
Michael Ivers |
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Sandra Young
Earnest Gates
Mamie Bone

Nays: None

The Chairperson thereupon declared said motion carried and said resolution adopted.

A Motion to approve General Item No. 1 was then presented by Commissioner Harris.

(General Item No. 1)

On January 6, 2000, the Board approved the Agency's Plan for Transformation, calling for sweeping changes in the administration and operation of the CHA. The Plan for Transformation was approved by HUD and incorporated into a Moving to Work (MTW) Agreement, executed on February 6, 2000. The agreement was subsequently amended in February 2001, requiring CHA to produce and submit an Annual MTW Plan to HUD no less than 60 days prior to the start of CHA's fiscal year. The February 2001 Amendment also required CHA to prepare an Annual MTW Report to compare the CHA's performance with its Annual MTW Plan. The FY2001 MTW Annual Report follows the format of the Annual MTW Plan and tracks CHA's progress over the last year in implementing its Plan for Transformation. The following resolution approves the submittal of the FY2001 MTW Annual Report to the U.S. Department of Housing and Urban Development (HUD).

RESOLUTION NO. 2002-CHA-14

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated February 19, 2002 requesting approval of the "FY2001 MTW Annual Report", attached hereto;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners approves the attached "FY2001 MTW Annual Report", and grants authorization to submit the report to the United States Department of Housing and Urban Development.

Motion to adopt said resolution was seconded by Commissioner Davis and the voting was as follows:

Ayes: Sharon Gist Gilliam
Hallie Amey
Leticia Peralta Davis
Dr. Mildred Harris
Michael Ivers
Sandra Young
Earnest Gates
Mamie Bone

Nays: None

There being no questions or discussion, the Chairperson thereupon declared said motion carried and said resolution adopted

Commissioner Young, Chairperson of the Tenant Services Committee, presented the following report. Per Commissioner Young, The Tenant Services and Operations and Facilities Committees held a joint meeting on Wednesday, February 13, 2002 at the 626 Corporate Office. Adrienne Minley, Managing Director of Internal Support presented a report on the New Procurement Process.

Commissioner Young then presented an Omnibus Motion for the approval of Items A1 through A6 recommended for Board approval by the Tenant Services and Operations & Facilities Committees.

(Item A1)

The resolution for Item A1 approves an Intergovernmental Agreement between the CHA and the participating housing authorities and the Metropolitan Planning Council (MPC) to establish the Regional Housing Initiative (RHI) in order to stimulate the supply of rental housing for low-income families by pooling together Housing Choice Vouchers to establish project-based developments. A key finding of a recently released MPC report on housing options was the shortage of rental housing affordable to families earning less than \$20,000 per year. The study also found that the rents near burgeoning employment centers are higher than what entry-level workers can afford. Therefore, in order to create additional rental units in opportunity areas for CHA **relocatees** and Section 8 applicants, the CHA will pool some of its vouchers with other participating housing authorities to create project-based developments ideal sites. RHI will allow relocatees and Section 8 applicants a greater opportunity to be housed quicker and be closer to economic opportunities. For the first year of the RHI, the CHA will contribute approximately 219 of 335 available vouchers under this program. The CHA may choose to contribute more or less vouchers in future years to the RHI.

RESOLUTION NO. 2002-CHA-15

WHEREAS, the Board of Commissioners has reviewed the Board letter dated February 19, 2002 entitled "Intergovernmental Agreement between the Chicago Housing Authority and participating Housing Authorities and the Metropolitan Planning Council to establish the Regional Housing Initiative".

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute and deliver on behalf of the Chicago Housing Authority ("CHA") an intergovernmental agreement, in substantially the form attached hereto and approved hereby, between the CHA, the Housing Authority of Cook County, the Lake County Housing Authority, the McHenry County Housing Authority, the Metropolitan Planning Council, and the Illinois Housing Development Authority to establish a new program entitled the Regional Housing Initiative ("RHI") and to approve final revisions to such agreement, the execution thereof to constitute conclusive approval of any such revisions.

(Item A2)

The resolution for Item A2 approves amendment of contract with Quadel Consulting Corporation (Quadel). In the summer 2001, the CHA issued a Request for Proposal (RFP) to solicit firms to administer the CHA's Section 8 program. The sole respondent to the RFP was Quadel. In order to close out the current contract and enter negotiations on a new contract with Quadel, a six months extension of the contract term is requested for the period of April 1 through September 30, 2001.

RESOLUTION 2002-CHA-16

WHEREAS, the Board of Commissioners has reviewed Board Letter dated February 4, 2002 entitled "Authorization to amend contract No. 8565 between Quadel Consulting Corporation and the Chicago Housing Authority for the administration of the Section 8 Programs".

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute Modification No. 7 for the extension of Contract No. 8565 between Quadel Consulting Corporation and the Chicago Housing Authority for the period of April 1, 2002 through September 30, 2002, and authorizes the Chief Executive Officer to negotiate a new contract with Quadel Consulting Corporation for the administration of the Section 8 programs. The funding for this extension is not to exceed \$10,000,000.00.

(Item A3)

The CHA determined that it is not economically feasible to rehabilitate a major portion of its residential housing stock. Due to the obsolescence of this housing stock, HUD approved demolition of certain properties under the CHA's Plan for Transformation. The CHA released an Invitation to Bid (IFB) in January 2002 to solicit contractors to perform ball and crane type

demolition for three high-rise buildings in Grace Abbott Homes. The CHA also directly solicited 8 firms including 3 M/WBE firms. To foster competition, the 3 buildings were split into two groups. Bidders were requested to provide lump sum bid price for each group. The criteria for awarding contracts was based upon the lowest overall grand total for each group. The resolution for Item A3 awards contract to Heneghan Wrecking & Excavating Co., Inc. for providing the lowest responsive and responsible bids for both groups. The scope of work to be awarded under this contract includes all permits, labor, materials, equipment, tools demolition equipment and machinery, apparatus, scaffolding, transportation, remediation of special and hazardous waste found within the site.

RESOLUTION NO. 2002-CHA -17

WHEREAS, the Board of Commissioners has reviewed Board Letter dated January 30, 2002 entitled “Authorization to enter into a contract with Heneghan Wrecking & Excavating Co. Inc., for the demolition of three (3) high-rise buildings in Grace Abbott Homes (IFB No. 01105)”.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with Heneghan Wrecking & Excavating Co., Inc. for the demolition of three (3) high-rise buildings located at 1410 & 1440 W. 14th Street and 1510 W. 14th Place in Grace Abbott Homes for an amount not-to-exceed \$2,103,000 in accordance with IFB No. 01105, and the General and Special Conditions contained therein.

(Item A4)

General renovation of six residential senior properties constitutes the fifth major task area in a series of construction activities planned for Category 2, Capital Improvement Program. The CHA's Prime Design Consultants evaluated the physical condition of the following six properties: 2640 & 2720 N. Sheffield, 2140 N. Clark, 3920, 3930 and 3940 N. Clark. Based on their assessments, the CHA determined that the scope of work for the renovation may include: installation of new windows, restoration of the exterior building envelope, installation of individual unit air conditioners, enhancement of building systems and interior repairs. The CHA released an Invitation For Bid in December 2001 and directly solicited 31 firms including 14 MBE/WBE firms. The resolution for Item A4 approves the award of contracts to the lowest responsive and responsible bidders, Michuda Construction and F.H. Paschen.

RESOLUTION NO. 2002-CHA -18

WHEREAS, the Board of Commissioners has reviewed Board Letter dated January 30, 2002 entitled “Authorization to enter into contracts with Michuda Construction, and F.H. Paschen for general renovation of six (6) senior properties (IFB No. 01099)”.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into: one (1) contract with Michuda Construction; and one (1) contract with F.H. Paschen for the general renovation of six (6) senior properties for an aggregate amount not-to-exceed \$39,202,171. Each individual contract will be for the not-to-exceed amount listed below and performed in accordance the General and Special Conditions as set forth in IFB No. 01099:

	<u>Contractor:</u>	<u>Contract Amount:</u>
Group 1	Michuda Construction	\$23,837,823
Group 2	F.H. Paschen	\$15,364,348

Aggregate Amount Not To Exceed:\$39,202,171

(Item A5)

After commencement of work, certain concealed deterioration and field conditions which could not have been reasonable determined at the time of contract document preparation was discovered by F.H. Paschen at the LaSalle Division Apartments. Based on the evaluation and engineering by

the Prime Design Consultants and the review and recommendation of the independent Construction Manager, the resolution for Item A5 approves a contract modification for F.H. Paschen/S.N. Nielsen & Associates for construction services at LaSalle/Division Apartments, 116 W. Elm Street.

RESOLUTION NO. 2002-CHA-19

WHEREAS, the Board of Commissioners has reviewed Board Letter dated January 31, 2002 entitled, “Authorization to Approve Group Three Contract Modification #s G-14, G-15, G-25, G-28, G-33, G-39, G-40, G-42, G-45, G-48, G-49, G-51, G-58, G-59, G-60, G-61, G-64, G-65, G-69, G-73, G-75, G-76, G-77, G-79, G-81, G-82, G-84, G-90, G-92, G-94 & G-96 for: Construction Services at: LaSalle/Division Apartments, 116 W. ELM STREET, IL2-82 Contractor: F. H. Paschen/S. N. Nielson & Associates”.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute Group Three Contract Modification Nos. G-14, G-15, G-25, G-28, G-33, G-39, G-40, G-42, G-45, G-48, G-49, G-51, G-58, G-59, G-60, G-61, G-64, G-65, G-69, G-73, G-75, G-76, G-77, G-79, G-81, G-82, G-84, G-90, G-92, G-94 & G-96 to Contract No. 9643 with F.H. Paschen/S.N. Nielsen & Associates for an amount not to exceed \$587,466.16, subject to HUD's approval. The time for completion of work under the contract shall remain unchanged.

(Item A6)

In March 2001, the CHA established P.O. #30740, in the amount of \$95,000, with Vacant Property Security (VPS), Inc. to allow the utilization of special use property security products. This was done for the purpose of securing large and unique building openings, such as elevator shafts and corridor pass-ways that could not be secured with the products available under an existing CHA contract with VPS. The resolution for Item A6 approves an increase of \$75,000 to P.O. #30740 to maintain security at those properties secured with the proprietary VPS products for another year.

RESOLUTION 2002-CHA-20

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated January 11, 2002 entitled “Approval for a \$75,000.00 increase to the not-to-exceed amount of Purchase Order #30740 with Vacant Property Security, Inc. (VPS) to secure buildings that are vacated but not yet scheduled for demolition, against trespass and damage from the elements.”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to increase the not-to-exceed contract amount of Purchase Order #30740 with Vacant Property Security, Inc. (VPS) by \$75,000.00 to secure buildings that are vacated but not yet scheduled for demolition, against trespass and damage from the elements, subject to HUD's approval.

The Omnibus Motion to adopt resolutions for Items A1 through A6 was seconded by Commissioner Young and the voting was as follows:

Ayes:	Sharon Gist Gilliam
	Hallie Amey
	Leticia Peralta Davis
	Dr. Mildred Harris
	Michael Ivers
	Sandra Young
	Mamie Bone
	Earnest Gates

Nays:	None
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There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The report of the joint Tenant Services and Operations & Facilities Committees was also accepted in total.

Commissioner Davis, Chairperson of the Finance and Audit Committee, then presented the following report. Per Commissioner Davis, the Finance & Audit Committee held its regularly scheduled meeting on Wednesday, February 13, 2002 at 2:00 p.m. at the 626 West Jackson office. The Chief Financial Officer and his staff provided the Committee with a monthly Treasury and Cash Report as of January 31, 2002.

Commissioner Davis then introduced an Omnibus Motion for the adoption of the resolutions for Items B1 and B2 recommended for Board approval by the Finance & Audit Committee.

(Item B1)

The resolution for Item B1 approves the Revised 2002 Comprehensive Budget. Revisions to the budget include the following changes: total revenue and associated expenditures in the general fund decreased by \$3,712,902 due to a reduction in planned capital expenditures for FY2002; total revenue and associated expenditures from HOPE VI fund increased by \$14,495,078 due to the addition of eight new demolition grants and an increase of \$2,074,174 due to the addition of new grants received and remaining grant fund balances from FY2001. The estimated sum of all revenues for FY2002 and the amount of FY2002 Fund Balance available for appropriation is equal to the estimated sum of all expenditures to be made or incurred during the fiscal year and the amount of all unpaid liabilities at the beginning of FY2002.

RESOLUTION NO. 2002-CHA-21

WHEREAS, the Board of Commissioners has reviewed the Board letter, entitled Approval of the Revised 2002 Comprehensive Budget, dated February 19, 2002, it is now appropriate for the Board to adopt a Revised Comprehensive Budget for the Year 2002.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners for the Chicago Housing Authority, hereby approves the attached budget amendments, "APPROVAL OF THE REVISED 2002 COMPREHENSIVE BUDGET", and finds with respect to said Budget:

1. that the proposed expenditures are necessary for the efficient and economical operation of the Chicago Housing Authority for the purpose of serving low-income families;
2. that the financial plan is reasonable in that it indicates funding sources adequate to cover all proposed expenditures, and does not provide for use of Federal funding in excess of that payable under the provisions of the applicable Federal regulations; and
3. that all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contract in accordance with the Moving To Work Demonstration Agreement of the Chicago Housing Authority with the U.S. Department of Housing and Urban Development.

THAT, the Chief Executive Officer and Chief Financial Officer are authorized to execute and forward to the U.S. Department of Housing and Urban Development all necessary budget documents and supporting information when applicable.

(Item B2)

In February 2001, the Board approved new contracts with CIGNA and First Commonwealth Dental to provide medical and dental insurance, respectively. Both contracts are due to expire on March 31, 2002, but each contract has an option to extend for an additional year. The resolution for Item B2 approves the exercise of the options which includes a rate increase. The proposed rate increases for medical and dental insurance benefits are based upon trends in the industry and the recent claim history of CHA's eligible participants. The benefits, premium rates and claim services offered by CIGNA and First Commonwealth indicate that these medical and dental insurance providers continue to best meet the needs of the CHA's eligible participants at rates that are still favorable to the CHA in today's marketplace.

RESOLUTION NO. 2002-CHA-22

THAT, the Board of Commissioners of the Chicago Housing Authority authorizes the Chief Executive Officer or his designee to exercise the options to extend First

Commonwealth Dental Contract No. 9126 (dental insurance), subject to the approval of HUD, and CIGNA Contract No. 9608 (medical insurance) for the CHA’s Employee Health Benefit Plan covering eligible participants of the CHA and eligible participants of the CHA’s affiliates for the benefit year of April 1, 2002 through March 31, 2003 for an aggregate amount not-to-exceed \$5,000,000.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners of the Chicago Housing Authority authorizes the Chief Executive Officer or his designee to exercise the options to extend First Commonwealth Dental Contract No. 9126 (dental insurance), subject to the approval of HUD, and CIGNA Contract No. 9608 (medical insurance) for the CHA’s Employee Health Benefit Plan covering eligible participants of the CHA and eligible participants of the CHA’s affiliates for the benefit year of April 1, 2002 through March 31, 2003 for an aggregate amount not-to-exceed \$5,000,000.

The Omnibus Motion to adopt resolutions for Items B1 and B2 was seconded by Commissioner Harris and the voting was as follows:

Ayes:	Sharon Gist Gilliam Hallie Amey Leticia Peralta Davis Dr. Mildred Harris Michael Ivers Sandra Young Earnest Gates Mamie Bone
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Nays:	None
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There being no questions or discussion, the Chairperson thereupon declared said motion carried and said resolutions adopted. The report of the Finance & Audit Committee was also accepted in total.

There being no further business come before the Commissioners, upon motion made, seconded and carried, the meeting of the Board of Commissioners was adjourned.

Sharon Gist Gilliam
Chairperson

Lee Gill
Custodian and Recorder of Records